Previous references.

File No.

1904 Rev 65 of 1893-94

2 of 1892

(Banking)
Insurance

Later references.

Banking File 460 of 03-04
Sl. 1-2. B
7 July 12 SS 102 Bank 41-11

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 8 & 11

PART B FOR August

SUBJECT.

Investment of Insurance Surplus Funds

FILE No. 65 of 1893-94.

The investment, in Government of India securities, of Rs. 7 lakhs, part of the balance at the credit of the Mysore State Life Insurance Fund.

* ✓

10 From the Secretary to the Mysore State Life Insurance Committee, No. 2408, dated the 20th June 1904.
Forwards a copy of his letter to the Comptroller, *re* the investment of Rs. 7 lakhs out of the balance at the credit of the Insurance Fund in the Government of India securities.

11 To the Secretary to the Insurance Committee, and Comptroller, Government Proceedings No. Fl. 1190-1, dated the 29th August 1904.
Makes certain observations with regard to the investment of the sum above referred to, in Government of India securities.

G. R. S. 58.

* P.T.O

✓ No. 5942 dy. 19-4-04. From the Compt. Gr.

Sl. 8 Forwarding for information of Govt. a copy of the note furnished by him to the Secy., Insur. Comtee. in the matter of the Investment in G. of I. Securities of the balance of the State Insur. Funds.

Sl. 9. No. Fl. 2995. dy. 3-5-04. To the Secy., Ins. Comtee.

Enquiring whether the Committee have passed any resolution on the Compts's Memo above referred to, & if so, requesting that a copy may be submitted.

Note continued

Sl. 7 Jdw.) In reply to the G. O. No. Fl 2521-2 & 11.3.04 ordering the investment in the G. P. Securities of the Balance of the State Insurance Fund, the Comptr

Sl. 8 forwards, with his letter No. 5942 & 19.4.04, for the information and orde of Govt. a copy of the note furnished by him to the Secretary, Insc Committe in the matter of the said Investment

89
2/4

Extract of Rule 7 of the Insurance R

Amended No. 89

"Ten per cent of the pay of the Insur shall be recovered every month as pre- mium and credited to Govt., in consider tion of which an endowment bonus (according to the table appended to the Rules) shall be payable from the ellpore Revenues on the Insured com- pleting 55 years of age or at his death if earlier. Fractions of a rupee other than multiples of 8 annas, shall be excluded in calculating the month premium." (Govt Order No 1708 19.7.190

A draft, making the enquiry, is put up.

89
30/

Insc draft
N Johnson

Note continued

(Sl. no. 9) Docket No. H 2995 / R.7.65-93-4 dy 3.5.04 to the Secretary, Insurance Committee.

Enquires whether the Committee have passed any resolution on the Compt's memo referred to, and if so, requests that a copy may be subd to Govt

(Sl. no. 10). No. 2408 dy 20.6.04 from the secretary Insurance Committee.

Forwards a copy of the letter to Compt requesting him to arrange for the early investment in the G. I. securities, a sum of Rs 7,00,000 out of the balance at credit of the Insurance Fund. (Enclosure. a file of papers containing the opinions of the Pres dt and members in the matter of investment).

The majority of the members and the President are in favour of the proposed investment

Submitted for orders

28/6 The investment ordered by Govt is concurred by the majority of the Committee & be a better financial arrangement & the Compt. has been asked to arrange for the early investment of the Sum of 7 lacs

PTO

G.R.S. 11] 190/

GENERAL AND REVENUE SECRETARIAT.

(Banking)

NOTES.

File No. 65-93

FILE HEADING.

Investment of Insurance Surplus Funds at Savings Bank Rate of interest.

From

The Secretary to the Insurance Committee.

No. 2408 Dated 20-6-04 Received 22-6-04.

Diary No. F. 2257	Enclos. 1 file Spare Copies.	Serial No. 10.

BRIEF ABSTRACT OF LETTER.

Forwards copy of his letter to the Comptr. re The investment of Rs 7 Lacs out of the balance at credit of the Insurance Fund in Govt. of India Securities.

NOTES AND ORDERS.

The majority of the members and the President are in favor of the proposed investment. Submitted for orders.

(Jd) S.T. 28-6-04. The investment ordered by Govt is considered by the majority of the Committee to be a better financial arrangement and the Comptr has been asked to arrange for the early investment of the sum of 7 Lacs.

NOTES—First sheet.

MGCPB—5,000—18-5-04

P.T.O

G.R.S. 12]

General and Revenue Secretariat.

File No. 65 of 1893

Serial No.

The Secy to the Committee appears to be right in his presumption that the remaining balance after investing the above Sum, should continue to be treated as heretofore i.e. allowed the Savings Bank interest of 3½ P.C. on the balance on the 1st of each month.

The investment having been required to be made by the Compt., orders have to be passed on the points raised by him in the last para of his Note of 14-4-04:-

(1) whether the investment should not be made by the actual purchase of Govt. Pro note from the Insurance Fund balance now merged in the Provincial Cash Balance; in lieu of this Step the Compt. Considers at present inadvisable. The only alternative then is to set apart a portion of the Securities belonging to the Surplus Investment Account, equal to the investment of the Insurance fund balance now moved.

Sub. to the Secy's Note 1/7/04

Submitted to the Dewan Saheb. May an order in the above terms be passed?

2.7.1904

Draft passed by the Dewan on 14-8-04.

39/2.7.04

Sl. no - 11. To the Secy to the Insurance Committee and

NOTE—Contn. sheet.

MGCPB—10 000—19-5-04

General and Revenue Secretariat.

File No. 65 of 1893

Serial No.

Comptroller. Govt Bombay no. Fl. 1190-1
R.7.65-93
& the 29th August 1904

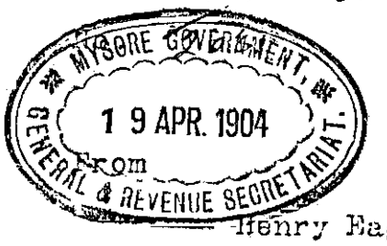
Makes certain observations with regard to the investment, in. Govt of India Securities, of the balance at the credit of the Insurance Account.

MGOPB—10 000—1-5-04

7C1806

5942/G

(8)



Office of the Comptroller,

Mysore Government,

Bangalore, Dated 19 April 1904.

From

Henry Eagles, Esq

Offg: Comptroller of Mysore.

Serial No. 8

To

L. Anantasawmy Rao, Esq., B.A.,

Offg: Secretary to the Government of Mysore,

General and Revenue Departments.

Sir,

I have the honor to acknowledge the receipt of Government order No.Fl:2521-2 of the 11th Ultimo ordering the investment in Government of India Securities of the Balance of the State Insurance Fund and requesting me to take the needful action, I have the honor to forward for information of Government and for such orders as they may pass a copy of the note furnished by me to the Secretary to the Insurance Committee in the matter of the said Investment and to state that needful action will be taken on receipt of Government orders thereon.

I have the honor to be,

Sir,

Your most obedient servant,

H Eagles

Offg: Comptroller.

Fl

19.4.04

Recd & sent
26/4

The following note in the matter of investing in the Government of India Securities Rs.7,00,000/-, out of the Balance of the Insuranc Fund is forwarded to the Secretary Mysore State Life Insurance Committee as desired by him.

oooooooooooooooooooooooooooooooo

The amount required to purchase Govt: of India Pro Notes of face value Rs.7,00,000/ at 98	...			Rs.6,86,000	0 0
For Banks Commission and Brokerage at ¼	...			1,750	0 0
	Total	...		Rs.6,87,750	0 0
The Annual interest on the investment of these Rs.7,00,000/- at 3½% is	...	...		24,500	0 0
Deduct Income Tax payable	...	Rs.638	0 4		
Banks Commission at ½% for realising interest about	... ...	Rs. 60	0 0		
		Rs.698	0 0		
				698	0 4
Net amount of interest realisable	...			23,801	15 8
The same sum under the present arrangement at the Mysore Government Savings Bank ½% rate of Interest i.e. 3½% yields an annual income of	...			21,875	0 0
The difference in the annual income between the two investments would therefore be . .	...			— 1,926	15 8

2. Thus by investing Rs.7,00,000 in the Govt: of India Securities instead of in the Government Savings Bank there an initial profit of Rs.12,250 and an annually recurring profit of Rs.1,926-15-8, so far as the Insurance Fund is concerned.

3. Butthe liability of the Government in respect of the Bonuses payable on account of the Life Insurance Receipts is not secured by any Funded Capital but by the Mysore Revenues (vide para 7 of Insurance Rules.) and as such the Balance of this so called Fund is always merged in the Government Cash Balance. More over the G.O. No

No. 13329-30/R.F.65-93 dated 15th February 1894 read with paras 7 and 15 of the Insurance Rules, appears to contemplate not an actual investment of the Insurance Money but an assumed investment simply to show to Government from time to time the state of the money received and paid on account of the State Life Insurance system after allowing a fair rate of Interest

4. It may also be mentioned here that Monies belonging to similar funds with the Government of India e.g. The Postal Life Insurance Fund, are not Funded but go to aid the Government Balances and become one of the liabilities for which the Government Balances are generally made responsible.

5. It willthus be seen that the Fund in question has not hitherto been managed as a Commercial concern but as one of the State Departments and that consequently any surplus of the Receipts over the Expenditure in connection with Life Assurance is merged in the GovernmentCash Balance and Investments in Government of India Pro Notes are made not with reference to the Balance of this Fund but withreference to the state of the General Cash Balance.

6. As there is no money belonging to the Fund actually in hand it is not understood how it can now be invested in Government of India Pro Notes unless by reducing the Provincial Cash Balance by 7 lacs which at present is not for obvious reasons advisable. If Government consider that the system should hereafter be conducted on Commercial lines and the Fund Balance invested separately the same will be done by setting apart the required amount of the Government of India Securities belonging tothe Mysore Surplus Investment Account for the purpose of the Fund to be available for Government purposes should necessity arise therefor

Bangalore
14th April 1904.

Offg:Comptroller

(Sl no. 9) 4

Office Draft. (Docket.)

The Mysore Government,
General & Revenue Secretariat,
Revenue Branch.

To

The Secretary, Insurance Committee

Serial No. 9

Date of passing the draft 3/5/04
Date of despatch

Regd. No. H 2995
File No. & date (if any) RT 65 - 1893-4

No. of Encls.

Comptr's letter no: 5942 & 19.4.04 forwarding for the information and orders of Govt, with reference to their order no: H 2521-28 11.3.04, copy of a note furnished by him to the Secretary, Insurance Committee in the matter of investment in G. P. securities of the Balance of the State Insurance Fund.

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Has the honour to enquire whether the Committee have passed any resolution on the Comptr's memo above referred to, and if so, to request that a copy of it may be ~~furnished~~ Mabed to Govt.

By Order

Comptr's n/s

H.C. for Offg Secretary
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(Sl no. 10) 5

OFFICE OF THE SECRETARY TO THE MYSORE
STATE LIFE INSURANCE COMMITTEE.
Bangalore, 20th June 1904.
22

No. 2407

From

H. Eagles Esqr.
The Secretary to the Mysore
State Life Insurance Committee, Bangalore.

To

H. Eagles Esqr.
The /// Officiating Comptroller to the
Government of H.H. the Maharaja of Mysore.
Bangalore.

Sir,

Adverting to Government Proceedings No.Fl.2521 dated 11th March 1904, I am directed to request you to be so good as to arrange for the early Investment in the Government of India Securities, a sum of Rs.7,00,000/- out of the balance at credit of the Mysore State Life Insurance Fund as ordered in Government Proceedings No.Fl.2166-7 dated 11th June 1903.

I have the honor to be
Sir
Your most obedient servant

(Signed). Henry Eagles
Secretary
Insurance Committee.

Fl 2251 ✓ Rec: 2408
Encl. 1 file

Copy forwarded to the Secretary to the
Government

P. T. O

From N. Eagles Esq.

~~The~~ Secretary to the
Mysore State Life
Insurance Committee,
Bangalore.

To B.K. Venkatanarade Iyengar
Esq Secy to the govt of H.H.
the Maharaja of Mysore

Dated 17 & Rec'd 24th
Despatched 22 June 1904
Received

General No. 2408
No.

Enclosure No. 1 file

Requesting the completion
to the govt of Mysore
to arrange for the early
investment in the
govt of India Securities
a sum of Rs 7,00,000
out of the balance at
credit of the Insurance
funds.

Government of H. H. the Maharaja of Mysore General and Revenue Departments Bangalore in continuation of this Office letter No.2031 dated 7/14 May 1904. The file on which the opinions of the President and Members of the Committee are recorded in the matter of the Investment is forwarded for reference and obliging return when no longer required. It is presumed that the remaining balance after investing the above Rs.7,00,000/- will continue to be treated as heretofore under the previous Government order No.13929-30 R.F.65-93 dated 15/19th February 1894.

I have the honor to be

Sir

Your most obedient servant

Secretary

Insurance Committee

(X) ad interim reply this Office docket No. 7[illegible]2995 & 8-5-04. & destroy

File no. 65–93
Serial no 11

3

7

b

Proc^s of the Govt. of H H the Maharaja of Mysore.

Read:-

G.P. no 2521-2 of the 11th march 1904 observing that Rule 15 of the Insurance Rules is quite consistent with the direction of Govt contained in Order no Fl 2166-7 of the 11th June 1903 to invest the balance at the credit of the Insurance Account in Govt of India Securities and that to this extent the G.O. no 13929-30 / R7 65-93 of the 15th Feb 1894 is superseded.

Letter no 2408 of the 20th June 1904 from the Secretary to the Insurance Committee, Submitting Copy of his letter no 2407 to the Comptr and the file containing the Opinions of the President and members of the Committee and stating that it is presumed that the remaining balance after the investment of 7 Lakhs, will continue to be treated as heretofore under G.O. no 13929-30 / R7 65-93 of the 15th Feb 1894.

Order thereon- no Fl 1190-1 / R7 65-93 dt 29 August

Govt observe from some of the Opinions recorded in the file as also from the presumption in regard to the treatment of the balance of the account after the

Copy

investment of 7 lakhs, that there exists some misapprehension regarding the nature and object of the investment ordered in G.P.R. Fl 2166-7 of the 11th June 1903. No change whatever in the essential features of the Scheme is at present contemplated by Govt and the investment ordered will in no way affect the nature of the account. In order to enable Govt to see from time to time how its undertaking in regard to the System of Compulsory insurance of the lives of its Servants Stands, the maintenance of a Separate account has been ordered and Govt have also arranged to add interest, at the rate allowed on Govt Savings Bank Deposits, Calculated on the balance on the 1st of each month of this account. The balance of the account is part of the general balances of Govt and the purchase of Govt of India Securities out of this Amount is entirely at the discretion of Govt and Such investment is intended only as the provision of a reserve to reimburse Govt for the interest which they have arranged to add to the Insurance Account. The appropriation by the Insurance account of the interest realized from the investment ordered is not intended

9

The arrangement in regard to interest will continue to be the same as was ordered in G.P.No 1392-93 R765-93 of the 15th Feb 1894 and the Supersession referred to in G.P.No 2521-2 of the 11th March 1904 is only in respect of the provision of a reserve in the form of Govt of India Securities. The Insurance Committee will be informed that the investment which has been made is to be understood in this light.

2. Govt hope that with the success of the undertaking and the established stability of its finance it may become possible to make a more advantageous revision of the conditions of the Insurance.

Secretary

14.VIII.04

16.8.1904

17.8.04

To

The Secretary, Insurance committee, returning records.

The Comptroller to the Govt of H.H the Maharaja